

**Repeal obsolete Sections 218.1 and 5180 of the Property Taxes Law.
(Technical)**

Source: Legal and Investigations Department

Section 218.1 of the Revenue and Taxation Code makes special provisions for claiming the homeowners' exemption on property damaged in the riots of April and May of 1992.

Section 5180 of the Revenue and Taxation Code makes special provisions for local counties to create a "Validation Action Defense Trust Fund" to retain private counsel to review settlement agreements reached with state assessesees for the 1991 assessment year and prior assessment years.

These provisions are date specific and subsequently have become obsolete. This proposal simply deletes two obsolete sections of the Property Taxes Law.

Revenue and Taxation Code Section 218.1 is repealed.

~~218.1. For purposes of Section 218, any dwelling that qualified for an exemption under that section prior to the civil disturbance that occurred in California during April and May of 1992, that was damaged or destroyed by fire in a disaster, as declared by the Governor, occurring during April and May of 1992, and that has not changed ownership since the commencement of that disaster, shall not be disqualified as a "dwelling" or denied an exemption under Section 218 solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner.~~

Revenue and Taxation Code Section 5180 is repealed

~~5180. The potential exists for a majority of the counties, the State Board of Equalization, and the Attorney General to resolve disputes over the valuation of state-assessed property for the 1991 assessment year and prior assessment years by entering into a settlement agreement with various state assessesees. To facilitate this agreement, it may become necessary to seek a validation action under Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. The counties may find it necessary to retain private counsel to represent their collective interests.~~

~~(a) In the event a majority of the 58 counties approve a settlement agreement as described in this section, and find it necessary to retain private counsel to represent their collective interest in a validation action, it shall be considered essential that a special "Validation Action Defense Trust Fund" be created. The Validation Action Defense Trust Fund shall be administered by the county having the largest financial interest in the settlement agreement. The fund shall be created by each county or city and county that approves the~~

~~settlement agreement contributing a flat amount depending upon the population reported in the California Association of Counties Roster for the 1992-93 fiscal year and a sum representing its percentage of the total valuation of the 1991-92 fiscal year state-assessed property tax roll from the utilities which approved the settlement agreement, as applied against a base of one million dollars (\$1,000,000) less the sum of the flat amounts contributed by all counties. For the flat amount, counties with populations of 1,000,000 or more shall contribute five thousand dollars (\$5,000), counties with populations of 100,000, but less than 1,000,000 shall contribute two thousand five hundred dollars (\$2,500), and counties with populations of less than 100,000 shall contribute one thousand dollars (\$1,000). The State Board of Equalization shall compute and furnish to the counties the percentages necessary to compute the valuation portion of each county's valuation-based contribution to the fund.~~

~~The auditor of each county or city and county approving the settlement agreement shall retain from the first installment of 1992-93 state-assessed property tax revenues to be allocated to each county or city and county as well as all other local agencies, including cities, special districts, schools, and community redevelopment agencies, the amounts required by this subdivision, plus any other costs necessarily incurred in reaching and implementing the settlement agreement described in this section.~~

~~The auditor of each county or city and county, upon first receipt of property tax revenues from the state-assessed roll, shall transfer to the auditor of the administering county for deposit into the Validation Action Defense Trust Fund the amounts set forth in this subdivision. The amount so transferred shall be accounted for as a revenue reduction.~~

~~(b) The county that administers the Validation Action Defense Trust Fund pursuant to subdivision (a) shall have the authority to enter into an agreement with, and reimburse, private counsel, provided that the private counsel has been selected by a committee of not less than five counties which have been authorized by a majority of the 58 counties to represent them in the settlement of litigation. This committee also shall be charged with responsibility for supervising the litigation.~~

~~(c) Upon the conclusion of the validation action, but not later than January 1, 1995, any surplus funds remaining in the special Validation Action Defense Trust Fund, plus any accrued interest, shall be returned to counties in the same percentage in which they were contributed.~~